

Message Text

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66

ACTION EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 SCEM-02 PA-04 PRS-01

USIA-15 NSC-10 SS-20 STR-08 CEA-02 SEC-03 DRC-01

EUR-25 /182 W

----- 108192

R 280945Z NOV 73

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 9707

INFO AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

UNCLAS SINGAPORE 4597

E.O. 11652: NA

TAGS: EGEN SN

SUBJ: SINGAPORE STOCK MARKET

REF: SINGAPORE 4559

1. SINGAPORE STOCK MARKET PLUNGED SHARPLY FOLLOWING PRIME MINISTER'S SPEECH ON OIL CRISIS. STRAITS TIMES INDUSTRIAL INDEX FELL 16.5 POINTS MONDAY, NOV. 26, AND CONTINUED FALLING THROUGHOUT TUESDAY ANOTHER 19 POINTS TO 297.3. PLUNGE FOLLOWED WEEKEND SPEECH REPORTED REFTEL IN WHICH PRIME MINISTER SAID OIL CUTBACKS WOULD SERIOUSLY JEOPARDIZE SINGAPORE PROSPECTS FOR GROWTH IN 1974.

2. NEWSPAPERS AND COMMENTATORS GENERALLY ATTRIBUTE PLUNGE TO PRIME MINISTER'S SPEECH BUT THERE ARE OTHER FACTORS INVOLVED. SEVERAL SOURCES SAY THAT BIG STOCK MARKET INVESTORS WERE BEGINNING TO PULL OUT SERIOUSLY NOV. 23 IN RESPONSE TO GENERAL UNEASE CAUSED BY OIL UNCLASSIFIED

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CRISIS AND BECAUSE OF CREDIT CRUNCH. INTERBANK RATES

WERE UP TO 14.5PERCENT AND BANKS WERE RESTRICTING OVERDRAFT
FACITLITIES LATE LAST WEEK. BIG INVESTORS ON SEEING
PRIME MINISTER'S SPEECH, NO DOUBT, SEIZED OPPORTUNITY TO
SELL SHORT THUS ACCELERATING DECLINE.

3. STOCK EXCHANGE OF SINGAPORE HAS TAKEN STEPS TO CURTAIL
SHORT SELLING. AS OF NOV. 28, ALL SHARE DEALS WILL BE
RESTRICTED TO PROMPT AND IMMEDIATE DELIVERY. CONTRACTS
TRANSACTED UP TO G00PM# YESTERDAY MUST BE
CLEARED BY TODAY. UNDER IMMEDIATE DELIVERY RULE SCRIPT MUST
BE HANDED OVER BY SELLER WITHIN 24 HOURS OF SALE. THIS
ACTION BY STOCK EXCHANGE OF SINGAPORE COMBINED WITH MODEST
RECOVERIES IN NEW YORK AND LONDON MAY STEM ABRUPT PLUNGE
BUT RAPID OR EVEN SIGNIFICANT RECOVERY IS NOT EXPECTED.

CRONK

NOTE BY OCT: # AS RECEIVED, WILL SERVICE UPON REQUEST.

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NNN

Message Attributes

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Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SINGAP04597
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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EO Systematic Review
30 JUN 2005

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Subject: SINGAPORE STOCK MARKET
TAGS: EGEN, SN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005